GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:911
ANSWERED ON:06.03.2007
DEMAND FOR ENGINEERING GOODS, GEMS AND JEWELLERY
Tripathy Shri Braja Kishore

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the demand has been increased for engineering goods, gems and jewellery in overseas markets;

(b) if so, the details thereof;

(c) whether trade deficit and the exports of the country has increased during 2006-07;

(d) if so, the details alongwith the reasons therefor;

(e) the details of the targets fixed for 2006-07; and

(f) the steps taken/proposed to be taken to curb the trade deficit and increase the exports of these items?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) Yes, Sir.

(b) The export of engineering goods during the last two financial years and the current till the period April-September is as follows:

(in crores)

2004-05	2005-06	2006-07
69,181.67	84,943.73	59053.67

The export of Gem & Jewellery for the last two financial years and the current year till the period April-October is as follows:

(in Million US $)

2004-05	2005-06	2006-07
13,761.77	15,546.58	9132.31

(c) & (d) Yes, Sir. According to the latest data on trade available for the current year (April to December), the trade deficit was US $ 42 billion compared with US $ 32 billion for the same period last year. The increase in trade deficit during the current year is mainly on account of high price of crude oil and high growth of import of capital goods and raw-materials/intermediate products required to sustain the unprecedented growth in the Manufacturing Sector. The Government is watchful of the situation but does not propose to artificially restrict imports to contain trade deficit as this may have an adverse impact on inflation.

(e) No sector-wise target has been fixed for 2006-07.

(f) Policy measures are announced by the Government from time to time including those contained in the Annual Supplement of the Foreign Trade Policy (2004-09). These measures are aimed to augment and sustain the current rate of export growth in line with India's comparative advantage and the emerging situation in the domestic and international market.

The Engineering Export Promotion Council (EEPC) and the Gem & Jewellery Export Promotion Council (GJEPC), representative bodies of these sectors, are promoting their products through advertisement, publicity and participation in international fairs, organizing buyer-seller meets. The Government provides support to these EPCs for their activities under Market Development Assistance (MDA) and Market Access Initiative (MAI) Schemes of the Department of Commerce.